

CITY OF CARLSBAD  
DRAFT HOUSING ELEMENT  
2005-2010

# **City of Carlsbad 2005-2010 Housing Element**

April 2007

**Planning Department**  
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# **1. Introduction**

## **A. Purpose and Content of Housing Element**

The Housing Element of the General Plan is designed to provide the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both State and local governments, Government Code Section 65580 states the intent of creating housing elements:

*The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian family is a priority of the highest order.*

Per State law, the Housing Element has two main purposes:

- (1) To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
- (2) To provide a strategy that establishes housing goals, policies, and programs.

The Housing Element is a five-year plan for the 2005-2010 period, which differs from the City's other General Plan elements which cover a much longer period. The Housing Element serves as an integrated part of the General Plan, but is updated more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

- (1) Conserving and improving existing affordable housing;
- (2) Maximizing housing opportunities throughout the community;
- (3) Assisting in the provision of affordable housing;
- (4) Removing governmental and other constraints to housing investment; and
- (5) Promoting fair and equal housing opportunities.

The Housing Element has the following major components:

- An introduction to review the requirements of the Housing Element, public participation process, and data sources (Section 1);
- A profile and analysis of the City's demographics, housing characteristics, and existing and future housing needs (Section 2);
- A review of resources available to facilitate and encourage the production and maintenance of housing, including land available for new construction, as well as financial and administrative resources available for housing (Section 3);

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- An analysis of constraints on housing production and maintenance, including market, governmental, and environmental limitations to meeting the City's identified needs (Section 4);
- An evaluation of accomplishments under the 1999-2005 Housing Element (Section 5); and
- A statement of the Housing Plan to address the City's identified housing needs, including an assessment of past accomplishments, and a formulation of housing goals, policies, and programs (Section 6)

## **B. State Requirements**

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the State's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Government Code Section 65302(c) sets forth the specific components to be contained in a community's housing element.

State law requires housing elements to be updated every five years to reflect a community's changing housing needs, unless otherwise extended by State legislation. The previous (1999-2004) Housing Element cycle for the San Diego region was extended one year by State legislation. Therefore, the 1999 Carlsbad Housing Element covered the period spanning July 1, 1999 through June 30, 2005. The updated Housing Element covers the planning period of July 1, 2005 through June 30, 2010.

## **C. Regional Share Housing Needs Assessment**

A critical measure of compliance with the State Housing Element law is the ability of a jurisdiction to accommodate its share of the regional housing needs – Regional Housing Needs Allocation (RHNA). For San Diego County, the regional growth projected by the State was for the period between January 1, 2003 and June 30, 2010. Therefore, while the Housing Element is a five-year document covering July 1, 2005 to June 30, 2010, the City has seven and one-half years (January 1, 2003 through June 30, 2010) to fulfill the RHNA. Table 1-1 presents Carlsbad's allocation of the regional housing need by income group as determined by SANDAG.



**Table 1-1  
2005-2010 RHNA**

Income Group	Carlsbad		Region	
	#	%	#	%
Very Low (<50% AMI)	1,922	23.0%	24,143	22.5%
Low (50-80% AMI)	1,460	17.4%	18,348	17.1%
Moderate (80-120% AMI)	1,583	18.9%	20,280	18.9%
Above Moderate (>120% AMI)	3,411	40.7%	44,530	41.5%
Total	8,376	100.0%	107,301	100.0%

Source: SANDAG, 2005..

## **D. Self-Certification**

State legislation (AB 1715) sponsored by SANDAG in 1995 created the opportunity for jurisdictions within the San Diego region to self-certify the housing element of their general plans. Carlsbad views the housing element self-certification option as having three purposes:

1. Give jurisdictions more flexibility in how they meet affordable housing goals;
2. Focus on housing production rather than paper generation; and
3. Eliminate the State Department of Housing and Community Development's (HCD) review and certification of the updated housing elements.

To self-certify, a jurisdiction must meet the following criteria:

1. The jurisdiction's adopted housing element or amendment substantially complies with the provisions of state law, including addressing the needs of all income levels;
2. The jurisdiction has provided for the maximum number of housing units/opportunities as determined pursuant Government Code Section 65585.1(a) within the previous planning period (1999-2004);
3. The city provides a statement regarding how its adopted housing element or amendment addresses the dispersion of lower income housing within its jurisdiction, documenting that additional affordable housing opportunities will not be developed only in areas where concentrations of lower income households already exist, taking into account the availability of necessary public facilities and infrastructure; and
4. No local government actions or policies prevent the development of the identified sites pursuant to Government Code Section 65583, or accommodation of the jurisdictions' share of the total regional housing need pursuant to Government Code Section 65584.

The primary criterion for self-certification is the requirement that a jurisdiction must meet its affordable housing goal for the relevant housing element cycle. The affordable housing goal is defined in state law as the maximum number of housing units that can be constructed, acquired, rehabilitated, and preserved and the maximum number of units or households that can be provided with rental or ownership assistance for low, very low and extremely low income households. The extremely low income category is unique to self-certification and is not included in the state certification process.

Both the criterion and goal are intended to provide self-certifying jurisdictions more flexibility in meeting housing needs. Carlsbad complied with the production goal below based on a complex credit system that counts toward the goal not only construction of affordable units but also other accomplishments that provide adequate, affordable housing. In Carlsbad, these accomplishments included the City acquiring units at risk of losing their affordability to extremely low income households, requiring long-term affordability tenures, and requiring the construction of affordability units specifically for large households.

Carlsbad's production goal for the 1999-2005 cycle was 629 units, broken down by income category as follows and based on new construction and other accomplishments, as discussed above:

- Extremely Low Income (<30 percent AMI): 170 units (27 percent)
- Very Low Income (30-50 percent AMI): 201 units (32 percent)
- Low Income (50-80 percent AMI): 258 units (41 percent)

As demonstrated in Appendix A, Carlsbad has exceeded the requirements for self-certification by providing 274 extremely low, 357 very low, and 952 low income affordable housing opportunities during the time period. Exceeding the affordable housing requirements means that Carlsbad is eligible to self-certify its Housing Element, but does not exempt the City from complying with the State Housing Element law.

## **E. HCD Review**

While the City of Carlsbad is eligible to self-certify its Housing Element, the City has elected to submit the 2005-2010 Housing Element for HCD review to ensure the City's eligibility for affordable housing programs. The Draft Carlsbad Housing Element was submitted to HCD on \_\_\_\_\_, 2007.

## **F. Data Sources and Methodology**

In preparing the Housing Element, various sources of information were used. Wherever possible, Census 1990 and 2000 data provided the baseline for all demographic information. Additional information provided reliable updates to the 2000 Census. These include population and housing data from SANDAG and the California Department of Finance, housing market data from Dataquick, MLS, and

other web-based real estate services, employment data from the Employment Development Department, lending data from financial institutions provided under the Home Mortgage Disclosure Act (HMDA), and the most recent data available from service agencies and other governmental agencies. In addition, data from the City's Geographic Information Systems (GIS) Department, which uses information from SANDAG and the County Assessor's Office, was primarily used in developing the vacant and underutilized land inventory presented in Section 3.

## **G. Public Participation**

The general public has been consulted at various stages throughout the development of the Housing Element. Specifically, the City held three public workshops to address various components of the Housing Element and solicit input from community members. Each public workshop was noticed and the City sent fliers to service providers and a number of interested residents.

The first workshop was held at City Hall on October 28, 2004. At this first meeting, the City gave an overview of the Housing Element Update process, requirements of State Law, and demographic and housing characteristics. Goals and policies of the 1999-2005 Housing Element were also reviewed. The City's second community workshop on December 9, 2004 reviewed opportunities and constraints to housing production in Carlsbad. The final community workshop was held on May 12, 2005. Recent changes in State law affecting the housing element, their possible implications for programs of the 2005-2010 Housing Element, and self-certification were discussed.

Additional public input opportunities will occur before the Housing Commission, Planning Commission, and City Council as part of the Housing Element's review and adoption process. Public hearings will be held before each review body.

## **H. General Plan Consistency**

The Housing Element is a component of the General Plan, last comprehensively updated in 1994 with the most recent amendment in 2006. California law requires that General Plans contain an integrated and internally consistent set of policies. The Housing Element is most affected by development policies contained in the *Land Use Element*, which establishes the location, type, intensity and distribution of land uses throughout the City. An analysis of the major policy areas of the *Land Use Element* and its relationship with the Housing Element is contained below.

The Housing Element is also affected by policies in the *Noise Element*, *Open Space & Conservation Element*, and the *Public Safety Element*, which contain policies limiting residential development due to certain reasons of biological impacts, noise impacts, geology, and public safety, including the location of Palomar Airport and its influence area. The Housing Element also relates to the *Circulation Element* in that major areas for housing must be served with adequate

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access routes and transportation systems and other infrastructure, such as electrical, gas, water, and sewer lines.

The Housing Element uses the residential goals and objectives of the City's adopted *Land Use Element* as a policy framework for developing more specific goals and policies in the Housing Element. The numerous residential goals and objectives of the *Land Use Element* encompass five main themes:

1. **Preservation:** The City should preserve the neighborhood character, retain the identity of existing neighborhoods, maximize open space, and ensure slope preservation.
2. **Choice:** The City should ensure a variety of housing types (single-family detached or attached, multifamily apartments and condominiums) with different styles and price levels in a variety of locations for all economic segments and throughout the City.
3. **Medium and High Density Uses in Appropriate, Compatible Locations:** Medium and higher density uses should be located where compatible with adjacent land uses and where adequately and conveniently served by commercial and employment centers, transportation and other infrastructure, and amenities. Further, the City should encourage a variety of residential uses in commercial areas to increase the advantages of "close-in" living and convenient shopping.
4. **Housing Needs:** The City should utilize programs to revitalize deteriorating areas or those with high potential for deterioration and seek to provide low and moderate income housing.

Furthermore, affecting all development in Carlsbad is the Growth Management Program, the provisions of which are incorporated into the General Plan. Developed in 1986, the Growth Management Program ensures the timely provision of adequate public facilities and services to preserve the quality of life of Carlsbad residents. Accordingly, a purpose and intent of the Growth Management Program is to provide quality housing opportunities for all economic segments of the community and to balance the housing needs of the region against the public service needs of Carlsbad's residents and available fiscal and environmental resources.

The Housing Element was reviewed with regard to the Growth Management Program. As demonstrated herein, the City can meet its obligations under the law with respect to the Regional Housing Needs Allocation under the Growth Management Program.

## 2. Housing Needs Assessment

The City of Carlsbad is committed to the goal of providing adequate housing for its present and future residents. To implement this goal, the City must target its limited resources toward those households with the greatest need. This chapter discusses the characteristics of the City's present and future population in order to better define the nature and extent of housing needs in Carlsbad.

### A. Population Characteristics

#### Population Growth

Since its incorporation in 1952, the City of Carlsbad has grown steadily and substantially over the decades from a population of 9,253 in 1960 to 95,146 in 2005. The number of Carlsbad residents is expected to reach 107,305 in 2010 (**Table 2-1**).

Between 1990 and 2005, Carlsbad's proportional change in population was over twice that for the County. San Marcos is the only neighboring jurisdiction to have a greater proportional increase than Carlsbad during this period. Similarly, Carlsbad's projected growth in population from 2005 to 2010 is greater than that projected for neighboring jurisdictions.

**Table 2-1**  
**Population Growth**

	<b>Total Population 1990</b>	<b>Total Population 2005</b>	<b>Total Population 2010 (Projected)</b>	<b>Percent Change 1990-2005</b>	<b>Projected Percent Change 2005-2010</b>
<b>Carlsbad</b>	<b>63,126</b>	<b>95,146</b>	<b>107,305</b>	<b>50.7%</b>	<b>12.8%</b>
Encinitas	55,386	62,774	64,904	13.3%	3.4%
Escondido	108,635	141,350	144,657	30.1%	2.3%
Oceanside	128,398	175,085	188,974	36.4%	7.9%
Poway	43,516	50,675	51,814	16.5%	2.2%
San Marcos	38,974	73,054	77,645	87.4%	6.3%
Vista	71,872	94,109	97,612	30.9%	3.7%
San Diego County	2,498,016	3,051,280	3,211,721	22.1%	5.3%

Source: Census, 1990; California Department of Finance, 2005; and SANDAG Data Warehouse, 2004.

#### Age Trends

Housing needs are determined in part by the age of residents in that each age group often has a distinct lifestyle, family characteristics, and income level, resulting in different housing needs. A significant presence of children under 18 years of age can be an indicator of the need for larger housing units since this characteristic is often tied to families and larger households. The presence of a

## Housing Needs Assessment

large number of seniors and mature adults may indicate a need for smaller homes that are more affordable and require less maintenance to allow these residents to age in place.

As summarized in **Table 2-2**, the median age for Carlsbad residents was 38.9 in 2000; the highest of northern San Diego County cities and 5.7 years higher than the median age for County residents. In 2000, residents underconstituted 23.3 percent of the City population, while seniors (over 65) comprised 14.0 percent.

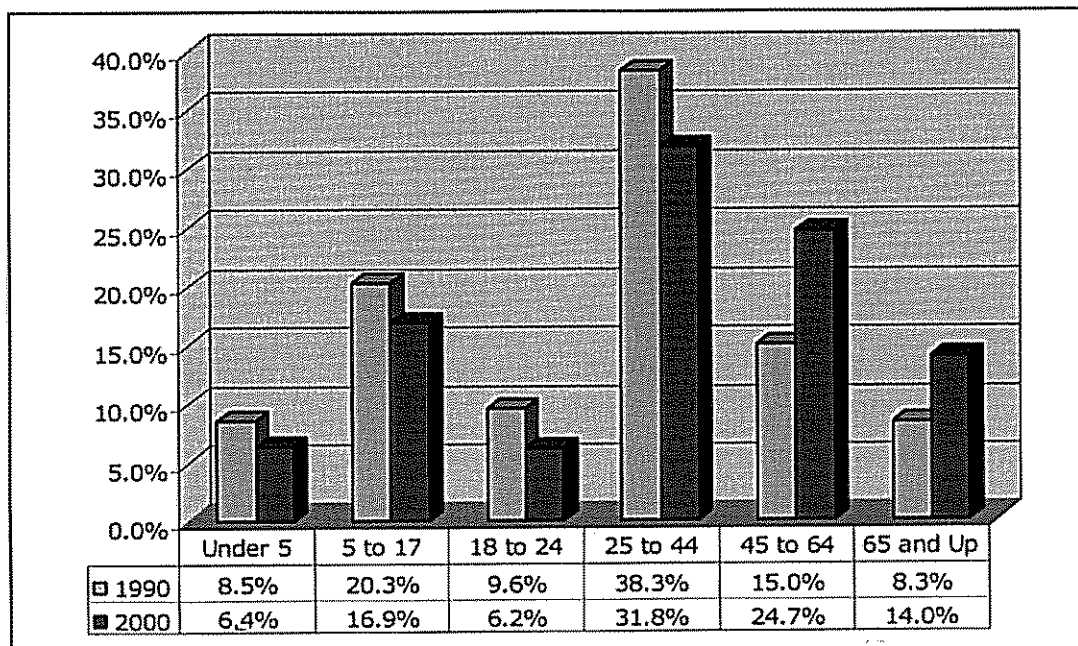
**Table 2-2**  
**Age Characteristics**

City	Under 18 Years				Over 65 Years				Median Age 2000
	1990		2000		1990		2000		
	#	%	#	%	#	%	#	%	
Carlsbad	13,627	21.6%	18,240	23.3%	8,271	13.1%	10,980	14.0%	38.9
Encinitas	12,545	22.7%	13,377	23.1%	5,055	9.1%	6,055	10.4%	37.9
Escondido	28,824	26.5%	39,687	29.7%	14,074	12.9%	14,720	11.0%	31.2
Oceanside	33,662	26.2%	44,456	27.6%	18,010	14.0%	21,859	13.6%	33.3
Poway	13,047	29.9%	14,741	30.6%	3,027	6.9%	4,138	8.6%	36.9
San Marcos	10,566	27.1%	16,005	29.1%	5,714	14.6%	6,525	11.9%	32.1
Vista	19,368	26.9%	26,653	29.6%	8,746	12.2%	9,006	10.0%	30.3
San Diego Co.	610,946	24.5%	723,661	25.7%	273,140	10.9%	313,750	11.2%	33.2

Source: Census, 1990 and 2000.

Reflective of the City's relatively high median age, the proportion of residents aged 45 and up increased sharply, while the proportion of residents under 45 years of age declined between 1990 and 2000 (**Figure 2-1**). This may be indicative of home and rental prices in Carlsbad outpacing the affordability price range for younger residents and families. Specifically, the proportion of young adults (18-24 years) declined 3.4 percentage points. This age group is comprised of those who tend to be in school or just starting their careers. The proportion of the 25-44 age group declined 6.5 percentage points. This group tends to consist of young families with children.

**Figure 2-1**  
**Age Distribution: 1990 and 2000**



Source: Census, 1990 and 2000

## Race and Ethnicity

Carlsbad did not experience significant race/ethnic changes from 1990 to 2000. In 1990, 81.7 percent of residents were White and 13.8 percent were Hispanic/Latino. Asian, Black/African American, and other races/ethnicities comprised just a small portion of the population (**Table 2-3**).

**Table 2-3**  
**Race/Ethnicity: 1990 and 2000**

Race/Ethnicity	1990		2000	
	#	%	#	%
White	51,555	81.7%	63,013	80.5%
Hispanic/Latino	8,700	13.8%	9,170	11.7%
Asian/Pacific Islander	1,916	3.0%	3,472	4.4%
Black/African American	702	1.1%	691	0.9%
Other	253	0.4%	1,970	2.5%

Source: Census, 1990 and 2000.

The proportion of City residents in 2000 who classified themselves as White decreased slightly, as did the proportions of Hispanic/Latinos and Black/African American residents. The proportion of Asian/Pacific Islanders and those of other races increased slightly (4.4 percent and 2.5 percent, respectively). As of 2000,

Carlsbad had the lowest proportion of non-white residents among its neighbors (**Table 2-4**).

**Table 2-4**  
**Racial Composition: 2000**

City	White	Hispanic/ Latino	Asian/ Pacific Islander	Black/ African American	Other
Carlsbad	80.5%	11.7%	4.4%	0.9%	2.5%
Encinitas	79.0%	14.8%	3.2%	0.5%	2.5%
Escondido	51.8%	38.7%	4.5%	2.0%	3.0%
Oceanside	53.6%	30.2%	6.5%	5.9%	3.8%
Poway	77.2%	10.4%	7.6%	1.6%	3.2%
San Marcos	53.9%	36.9%	4.8%	1.9%	2.5%
Vista	49.9%	38.9%	4.2%	3.9%	3.1%
San Diego County	55.0%	26.7%	9.1%	5.5%	3.7%

Source: Census, 2000.

## **B. Employment Characteristics**

Employment has an important impact on housing needs. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford. In some cases, the types of the jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses, and large amounts of seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

### **Occupation and Wage Scale**

As of 2000, the two largest occupational categories for City residents were Managerial/Professional and Sales/Office occupations (**Table 2-5**). These categories accounted for more than 77 percent of occupations held by Carlsbad residents, while these occupations comprised less than 65 percent of jobs held by San Diego County residents.

Management occupations are the highest paid occupations in the San Diego region, while food preparation, service-related, and sales occupations are the lowest paid (**Table 2-6**). The high proportion of Managerial/Professional occupations accounts for Carlsbad's relatively high median household income.



**Table 2-5  
Employment Profile**

Occupations of Residents	Carlsbad		San Diego County	
	#	%	#	%
Managerial/Professional	19,079	49.2%	467,386	37.7%
Sales/Office	10,830	27.9%	337,603	27.2%
Service	4,544	11.7%	199,384	16.1%
Production/Transportation/Material Moving	2,052	5.3%	122,933	9.9%
Construction/Extraction/Maintenance	2,157	5.6%	107,450	8.7%
Farming/Forestry/Fishing	101	<1%	6,502	<1%
Total <sup>1</sup>	38,763	100%	1,241,258	100%

Source: Census, 2000.

Note 1: Civilian population 16 years and over.

**Table 2-6  
Average Yearly Salary by Occupation  
San Diego County MSA, 2004**

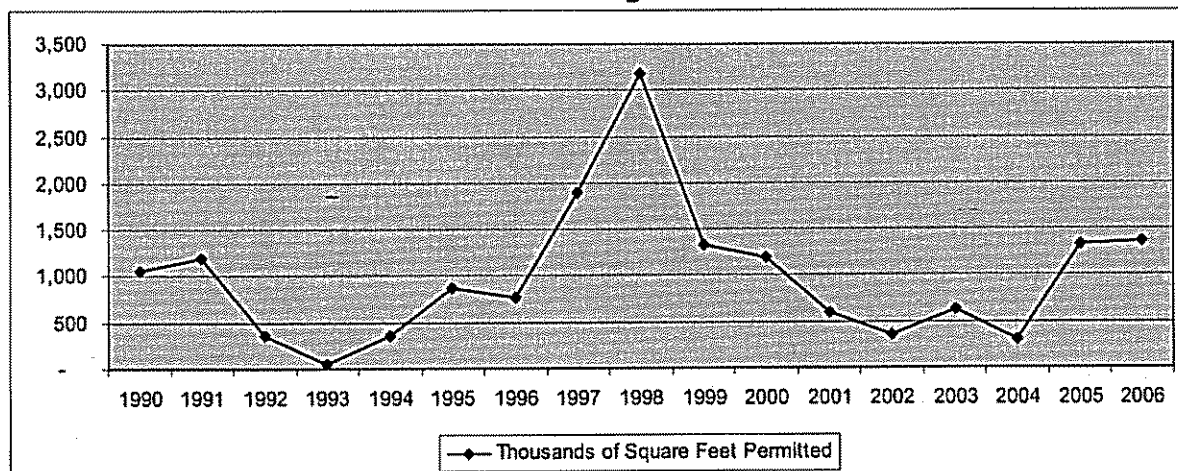
Occupations	Average Salary
Management	\$94,334
Legal	\$90,511
Computer and Mathematical	\$69,224
Architecture and Engineering	\$66,630
Healthcare Practitioners and Technical	\$63,433
Life, Physical and Social Science	\$58,929
Business and Financial Operations	\$54,657
Arts, Design, Entertainment, Sports and Media	\$46,837
Education, Training and Library	\$46,072
Construction and Extraction	\$40,286
Protective Service	\$40,023
<b>Median</b>	<b>\$39,149</b>
Installation, Maintenance and Repair	\$39,126
Community and Social Service	\$38,883
Sales	\$34,541
Office and Administrative Support	\$30,000
Production	\$25,884
Transportation and Material Moving	\$25,884
Healthcare Support	\$25,656
Personal Care and Service	\$22,275
Building Grounds Cleanup and Maintenance	\$21,853
Farming, Fishing and Forestry	\$21,108
Food Preparation and Serving Related	\$18,270

Source: State Employment Development Department, 2004

### Nonresidential Development Trends

Historical nonresidential development trends in Carlsbad have closely mirrored fluctuations in the national and statewide economies. Still suffering the effects of the national recession, the amount of permitted nonresidential building square footage in Carlsbad was at its lowest point in the early 1990s (**Figure 2-2**). With the stabilization and expansion of the economy in the mid- to late-1990s, nonresidential development also expanded; however, permitted commercial and industrial building square footage dropped significantly ahead of the 2000 recession and remained at a relatively low level until 2005, when industrial activity again began to increase.

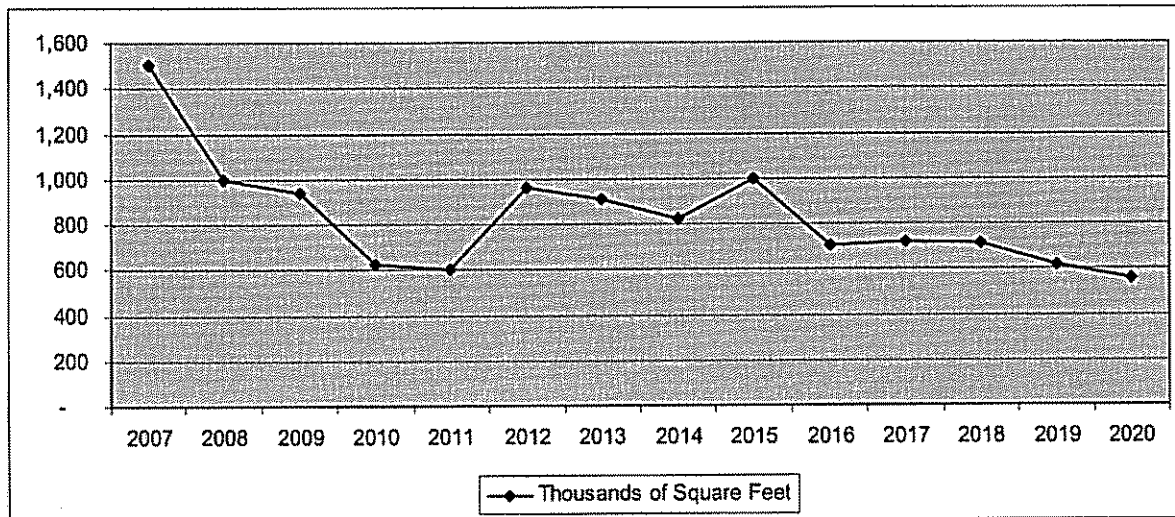
**Figure 2-2**  
**Permitted Nonresidential Square Footage**  
**1990 through 2006**



Source: City of Carlsbad, 2007.

With the economic recovery since 2000, the City has several nonresidential development projects under construction as shown in the figure above and in **Figure 2-3**. Because nonresidential development is highly sensitive to economic fluctuations, predicting development long-term is problematic. Nevertheless, the City's land inventory is finite and according to the City's General Plan, the City's nonresidential land will be largely built out by 2020. In the near-term (through 2010 - 2015), the City anticipates a significant spike in nonresidential development. The housing demand associated with employment growth is also expected to increase.

**Figure 2-3**  
**Projected Nonresidential Square Footage**  
**2007 through 2020**



Source: City of Carlsbad, 2007.

## C. Household Characteristics

### Household Type

The U.S. Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Information on household characteristics is important to understanding the growth and changing needs of a community. A family-oriented community may need large housing units, while a community with many single or elderly households may need smaller units.

As shown in **Table 2-7**, roughly 24 percent of the City's households in 2000 were comprised of married families with children, 30 percent were families without children, 12 percent were other families, and 34 percent were non-family households. Among the non-family households, almost three-quarters were single-households and one-quarter were elderly living alone. As a result, the City had a relatively low average household size of 2.46 in 2000 (declined slightly from 2.47 in 1990). Countywide, the average household size was 2.73 in 2000.

**Table 2-7  
Household Characteristics**

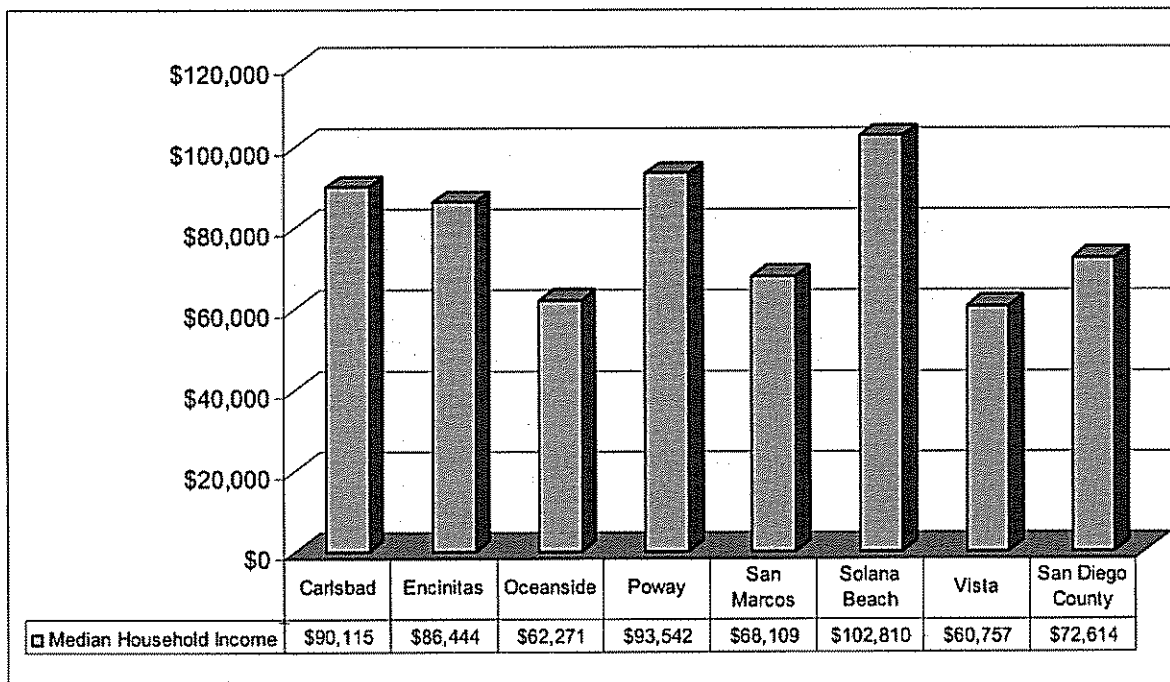
Household Type	1990		2000		% Change
	#	%	#	%	
Households	24,995	100%	31,521	100%	--
Family Households	16,797	67.2%	20,894	66.2%	-1%
- Married With Children	5,788	23.2%	7,562	23.9%	+1%
- Married No Children	8,127	32.5%	9,567	30.4%	-3%
- Other Families	2,892	11.6%	3,765	11.9%	--
Non-Family Households	8,198	32.8%	10,627	33.7%	+1%
- Singles	5,807	23.2%	7,830	24.8%	+2%
- Singles 65+	1,884	7.6%	2,575	8.2%	--
Average Household Size	2.47		2.46		<-1%

Source: Census, 1990 and 2000.

## **Household Income**

Income is the most important factor affecting housing opportunities, determining the ability of households to balance housing costs with other basic necessities. SANDAG estimates as of 2007 show that the median household income in Carlsbad in 2006 was \$90,115. Among the surrounding jurisdictions, this median income was only lower than that for the surrounding Solana Beach and Poway and higher than that for Encinitas, Oceanside, San Marcos, San Diego County, and Vista (**Figure 2-4**).

**Figure 2-4**  
**Estimated Median Household Income: 2006**



Source: SANDAG, 2007.

For purposes of the Housing Element and other State housing programs, the Department of Housing and Community Development (HCD) has established four income categories based on Area Median Income (AMI) of a Metropolitan Statistical Area (MSA). The AMI, which is different than the estimated median household incomes shown in Figure 2-4, is applicable to all jurisdictions in San Diego County and changes with the cost of living. For 2006, the AMI for San Diego County is \$64,900, compared to \$63,400 in 2005. The four income categories based on the AMI are:

- Very Low Income (0-50 percent AMI)
- Low Income (51-80 percent AMI)
- Moderate Income (81-120 percent AMI)
- Above Moderate Income (>120 percent AMI)

According to the Comprehensive Housing Affordability Strategy (CHAS) data prepared for HUD by the Census Bureau, 12.7 percent of Carlsbad households earned very low incomes and 12.4 percent of households earned low incomes (**Table 2-8**). Lower (very low and low) income households were evenly split between owner- and renter-households. However, the majority of moderate and above moderate income households were owner-households.

**Table 2-8**  
**Household Income by Tenure and Household Type: 2000**

Income	Renters			Owners			Total Households
	Elderly	Large Families	Total	Elderly	Large Families	Total	
Very Low	1.6%	0.6%	7.3%	2.7%	0.2%	5.4%	12.7%
Low	1.0%	0.7%	5.7%	3.7%	0.3%	6.6%	12.4%
Moderate/ Above Moderate	1.6%	1.3%	19.7%	12.7%	4.3%	55.3%	75.0%
Total	4.2%	2.6%	32.7%	19.0%	4.8%	67.3%	100.0%

Note: Data based on sample Census data (Summary File 3) and therefore total household figures may differ from the 100% count (Summary File 1).

Source: Comprehensive Housing Affordability Strategy (CHAS), HUD, January 2006.

## Special Needs Households

Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, and disability status among others. In Carlsbad, persons and families with special needs include seniors, persons with disabilities, large households, single-parent families, homeless, farmworkers, students, and military personnel. **Table 2-9** summarizes the presence of special needs groups in the City and the following discussion summarizes their housing needs.

**Table 2-9**  
**Special Needs Groups in Carlsbad**

Special Needs Groups	Number	Percent
Seniors <sup>(1)</sup>	10,980	14.0%
Disabled Persons <sup>(2)</sup>	9,913	12.7%
Large Households <sup>(3)</sup>	2,372	7.5%
Single Parent Households <sup>(3)</sup>	2,330	7.4%
Homeless Persons <sup>(4)</sup>	245	<1%
Farmworkers <sup>(5)</sup>	101	<1%
Students <sup>(6)</sup>	5,100	25.3%
Military <sup>(5)</sup>	585	<1%

Source: Census, 2000; and Regional Task Force on the Homeless, 2004.

1. Percentage of population in 2000.
2. Percentage of population in 2000.
3. Percentage of households in 2000.
4. Percentage of population in 2004.
5. Percent of employed workforce 16 years & older in 2000.
6. Percent of population 3 years & older enrolled in college or graduate school.

### ***Senior Households***

Senior households have special housing needs due to three concerns – income, health care costs, and disabilities. According to the Census, 10,980 seniors (aged 65 and up) resided in the City in 2000 and 6,707 households were headed by seniors. Among the senior-headed households, 82.4 percent were owners and 17.6 percent were renters. The Census reported that seniors between 65 and 74 earned a median income of \$45,708, while the median income of seniors over age 74 was \$36,348. Nearly 30 percent of the senior population also experiences one or more disabilities.

Carlsbad is a popular retirement community, which includes facilities that provide assisted living, nursing and special care, and general services to seniors. As of September 2004, Carlsbad had 1,533 beds within 25 licensed senior residential care facilities. Almost 94 percent of these beds were provided in 9 complexes with more than 6 beds. In 2001, the City purchased Tyler Court, a 75-unit apartment complex that provides affordable housing for seniors.

### ***Persons with Disabilities***

Disabled persons have special housing needs because of their often fixed and limited income, lack of accessible and affordable housing, and the medical costs associated with their disabilities. The Census defines a “disability” as a long-lasting physical, mental, or emotional condition. According to the Census, 9,913 persons with one or more disabilities resided in Carlsbad in 2000, representing 12.7 percent of the City’s residents over five years of age. Of the population with disabilities, 3,208 (32.4 percent) were seniors.

For those of working age, disabilities can also restrict the type of work performed and income earned. As a result, nearly 9 percent of persons with disabilities in Carlsbad earned incomes below the poverty level in 1999. Among the reported disabilities, the most common were disabilities that prevented residents from working (26.8 percent), with physical disabilities being the second most prevalent disability tallied (21.2 percent).

### ***Large Households***

Large households are defined as households with five or more members in the unit. Large households comprise a special needs group because of their need for larger units, which are often in limited supply and therefore command higher rents. In order to save for the necessities of food, clothing, and medical care, it is common for lower income large households to reside in smaller units, frequently resulting in overcrowding. In 2000, 7.5 percent of Carlsbad households had five or more members. Of the 2,372 large households, 66.1 percent were owners and 33.9 percent were renters.

Although renter-households had a smaller average household size compared to owner-households (2.34 versus 2.51 persons per household), overcrowding

disproportionately affected renter-households according to the 2000 Census. Approximately ten percent of renter-households lived in overcrowded housing units compared to one percent of owner-households.

Overcrowded living conditions in Carlsbad are due primarily to a lack of adequately sized rental housing units. In 2000, the City's housing stock included 18,299 units with three or more bedrooms. A three-bedroom unit is typically considered adequately sized for large households. Among these large units, 15,808 were owner-occupied and 2,493 were renter-occupied. In addition to size and availability, affordability is another issue. As indicated in the later section, *Housing Costs and Affordability*, large households with lower incomes would have difficulty securing adequately sized and affordable housing units in Carlsbad.

### ***Single-Parent Households***

Carlsbad was home to 2,119 single-parent households with children under age 18 in 2000. Of these, 1,572 (74 percent) were female-headed families with children. Single-parent households, in particular female-headed families, often require special assistance such as accessible day care, health care, and other supportive services. Because of their low income and higher family expenses, 16.3 percent of all single-parent households and 19.0 percent of female-headed households with children lived in poverty in 2000.

### ***Homeless***

HUD defines a person as homeless if he/she is not imprisoned and:

- 1) Lacks a fixed, regular, and adequate nighttime residence;
- 2) The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
- 3) The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
- 4) The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

Assessing a region's homeless population is difficult because of the transient nature of the population. San Diego County's leading authority on the region's homeless population is the Regional Task Force on the Homeless (RTFH, Inc.). Based on information provided by individual jurisdictions, the majority of the region's homeless is concentrated in the urban areas, but a sizeable number of homeless persons make their temporary residence in rural areas (**Table 2-10**). Rural homeless tend to be migrant farmworkers and day laborers. RTFH estimated 245 homeless persons in Carlsbad, including 172 farmworkers/day laborers. Among the homeless, the majority (77 percent) were unsheltered.

In the North County area, the majority of homeless persons congregate in the cities of San Diego, Oceanside, and Escondido. This is reflected in the number



of shelters and service agencies in those communities (**Table 2-11**). However, several transitional housing facilities and service agencies are located in Carlsbad.

**Table 2-10**  
**Homeless Population by Jurisdiction: 2004**

	Total Homeless			Total Unsheltered			Unsheltered*
	Urban	Farm Workers/ Day Laborers	Total	Urban	Farm Workers/ Day Laborers	Total	
<b>Carlsbad</b>	<b>73</b>	<b>172</b>	<b>245</b>	<b>52</b>	<b>137</b>	<b>189</b>	<b>77.1%</b>
Encinitas	59	125	184	24	125	149	80.9%
Escondido	762	250	1,012	228	250	478	47.2%
Oceanside	788	310	1,098	566	310	876	79.8%
San Marcos	30	175	205	30	175	205	100.0%
San Diego City	4,258	200	4,458	2,239	200	2,439	54.7%
Solana Beach	17	0	17	17	0	17	100.0%
Vista	334	0	334	44	0	44	13.2%
San Diego County	7,323	2,344	9,667	3,901	2,309	6,210	64.2%

Source: San Diego Regional Task Force on the Homeless, 2004

Note:

\*Based upon the number of shelter beds available each night.

**Table 2-11**  
**Homeless Shelters and Services**  
**North San Diego County**

Name	Agency	Target Population	Special Needs	Location	# Beds <sup>1</sup>
<i>Emergency Shelters</i>					
Good Samaritan Shelter	Brother Benno's Foundation	Adult men	Employment-related	Oceanside	30
House of Martha and Mary	Brother Benno's Foundation	Women, women w/ children	Homeless	Oceanside	6
Libre!	Community Resource Center	Women, women w/ children	Domestic violence	Encinitas	11
North County Detox	M.I.T.E.	Adults	Substance abuse	Oceanside	n.a.
Turning Point Crisis Center	Community Research Fund	Adults	Severely mentally ill	Oceanside	n.a.
Women's Resource Center	Women's Resource Center	Women, women w/ children	Domestic violence	Oceanside	26
<i>Transitional Shelters</i>					
Brother Benno's Recovery	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
House of Dorothy	Brother Benno's Foundation	Women	Substance abuse	Carlsbad	6
Casa Raphael	Alpha Project for the Homeless	Adult men	Homeless	Vista	n.a.

## Housing Needs Assessment

**Table 2-11  
Homeless Shelters and Services  
North San Diego County**

Name	Agency	Target Population	Special Needs	Location	# Beds <sup>1</sup>
Centro	Community Housing of N.C.	Families	Homeless	Vista	n.a.
Family Recovery Center	E.Y.E.	Women w/ children	Substance abuse	Oceanside	90
Hogar II	Community Housing of N.C.	Families	Farm and/or day laborers	Carlsbad/ Oceanside/ Vista	n.a.
House of James and John	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
La Posada de Guadalupe	Catholic Charities	Adult men	Homeless	Carlsbad	50/75 <sup>2</sup>
Oz North Coast	Y.M.C.A.	Homeless youth	Homeless	Oceanside	n.a.
Transition House	Women's Resource Center	Families	Homeless	Oceanside	17
Transitional House	E.Y.E.	Families	Homeless	Oceanside	25
Transitional House Program	Community Resource Center	Families	Homeless	Encinitas	12
Tremont Street	Community Housing of N.C.	Homeless	HIV/AIDS	Oceanside	n.a.
<i>Day Shelters</i>					
Brother Benno's Center	Brother Benno's Foundation	General	Homeless	Oceanside	--
N.C. Regional Recovery Center	M.I.T.E.	General	SMI and substance abuse	Oceanside	--
N.C. Safe Havens Project	Episcopal Comm. Services	Adults	SMI and substance abuse	Oceanside	--
Options – Day Treatment	E.Y.E.	Families	Substance abuse	Oceanside	--
<i>Social Services</i>					
Case Management Agency	North Coastal Service Center	General	Homeless	Oceanside	--
Infoline	United Way	General	Homeless	North County	--
Lifeline	Lifeline Community Services	General	Homeless	Vista	--
Oceanside Family Services	Salvation Army	General	Homeless	Oceanside	--
Social Services	Community Resources Center	General	Homeless	Carlsbad/ Encinitas	--

Source: San Diego Regional Task Force on the Homeless, 2004; and City of Carlsbad, 2004.

Notes:

<sup>1</sup>Based upon the number of shelter beds available each night.

<sup>2</sup>Number of shelter beds increases from 50 to 75 during winter months.

### ***Farmworkers***

According to the San Diego County Department of Agriculture, Carlsbad had approximately 504 acres of land in agricultural use in 2004. This information is based on a list of active farm areas for which a pesticide permit was issued.

The U.S. Department of Health and Human Services determined that there were 19,719 farmworkers in San Diego County in 2000, of which 46 percent were migrant farmworkers and 54 percent were seasonal laborers.<sup>1</sup> No comparable statistics were available for the City of Carlsbad. According to the Census, only 101 persons were employed in the farming, forestry, and fishing occupations in 2000. However, the Census likely underestimated the true number of farm workers in Carlsbad due to the seasonal nature of the employment, the use of migrant laborers, and the significant level of under-reporting among undocumented persons. As shown in Table 2-10, 172 of the City's homeless persons in 2004 were either farmworkers or day laborers.

Although there is little consensus on the number of farmworkers working or living in Carlsbad, farm workers are indeed a special need group due to their extremely low incomes. According to the California Economic Development Department, persons employed in farming, forestry, and fishing occupations in San Diego County earned approximately \$20,994 in 2004. Specifically, farmworkers and laborers earned approximately \$18,898, much lower than the median income in the County.

In December 2003, the Carlsbad City Council unanimously approved concept plans for a 64-bed temporary farm worker shelter on agricultural land, part of which was within SDG&E right-of-way. However, SDG&E ultimately denied use of their land for the project.

### ***Students***

Typically, students have low incomes and therefore can be impacted by a lack of affordable housing, which can often lead to overcrowding within this special needs group.

Carlsbad is located in proximity to California State University at San Marcos, Mira Costa Community College, and Palomar Community College. In addition, the University of California at San Diego is located approximately 20 miles to the south and the private University of San Diego as well as the region's largest University, San Diego State University, are located within a 30-minute drive from Carlsbad. As a result, slightly over 24 percent of Carlsbad residents were enrolled in a college or graduate school in 2000.

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<sup>1</sup> "Migrant and Seasonal Farmworker Enumeration Profiles Study – California." Bureau of Primary Health Care, Health Resources and Services Administration, Department of Health and Human Services, 2000.

### **Military**

The U.S. Marine Corps Camp Pendleton is located within five miles north of Carlsbad, adjacent to the City of Oceanside. As a result, there is demand for housing for military personnel within the Carlsbad. This demand has two components: active military personnel seeking housing near the base, and retired military remaining near the base after serving. Most enlisted military individuals earn incomes at the lower range of the military pay scale and need affordable housing options. As of July, 2004 Camp Pendleton had approximately 6,540 housing units on base, with an additional 400 units under construction. However, the waiting list for on-base housing ranges from one month to 18 months, depending on rank, the number of bedrooms requested and various other factors.<sup>2</sup>

In 2000, the Census reported that 585 active duty military personnel living in Carlsbad. Although proximity to the base makes Carlsbad a desirable place to reside for all military ranks, high housing costs may explain the relatively low number of military personnel residing in the City.

## **D. Housing Characteristics**

### **Housing Type**

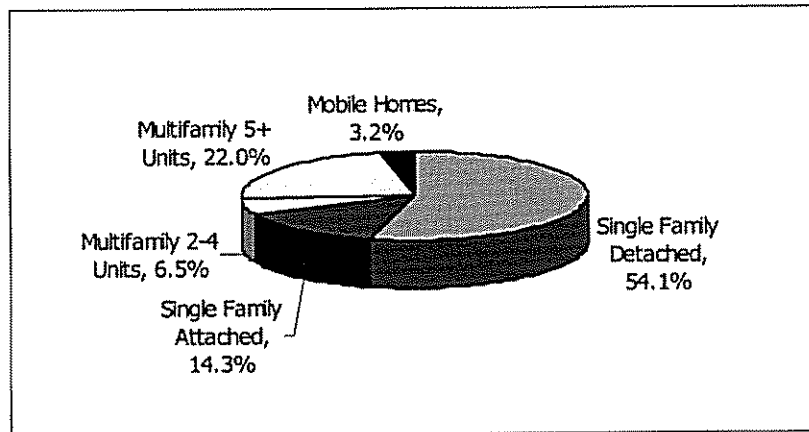
According to the California Department of Finance, Carlsbad had 40,307 housing units as of January 1, 2005. Among these units, the large majority (68.4 percent) were single-family, with 54.1 percent consisting of single-family detached units and 14.3 percent single-family attached units (**Figure 2-5**). Multi-family dwelling units comprised 28.5 percent of the City's housing stock in 2005 and the remaining 3.2 percent were mobile homes.

Between 1990 and 2005, the housing stock in Carlsbad increased 48 percent. Much of that increase was due to the significant increase in single-family detached units. Since 1990, the proportion of single-family dwelling units (detached and attached) in the City increased but the proportion of multi-family units and mobile homes decreased (**Table 2-12**).

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<sup>2</sup> Marinelli, Lisa. 2004. "Military Housing at a Glance." San Diego Union Tribune. July 25. Retrieved on October 9, 2004 from [http://www.signonsandiego.com/uniontrib/20040725/news\\_1hs25milside.html](http://www.signonsandiego.com/uniontrib/20040725/news_1hs25milside.html).

**Figure 2-5  
Housing Types: 2005**



Source: Department of Finance, 2005.

**Table 2-12  
Housing Unit Type: 1990 and 2005**

Housing Unit Type	1990		2005	
	#	%	#	%
Single Family Detached	12,318	45.2%	21,794	54.1%
Single Family Attached	5,165	18.9%	5,766	14.3%
Multifamily 2-4 units	1,643	6.0%	2,604	6.5%
Multifamily 5+ units	6,593	24.2%	8,852	22.0%
Mobile Homes/Other	1,516	5.6%	1,291	3.2%
Total	27,235	100.0%	40,307	100.0%

Source: Census, 1990; and Department of Finance, 2005.

## Housing Tenure

From 1990 to 2000, the tenure distribution (owner versus renter) in Carlsbad shifted slightly toward ownership. By definition, a household is an occupied housing unit. According to the 1990 Census, among the occupied housing units, 62.2 percent were owner-occupied and 37.8 percent were renter-occupied. By 2000, the proportion of renter-households declined to 32.6 percent, while the proportion of homeowners increased to 67.4 percent. In 2000, Carlsbad's homeownership rate was higher than the average homeownership rate of the County, where only 55.4 percent of the households were owner-occupied.

### Housing Vacancy

A vacancy rate is often a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 5 to 6 percent for rental housing and 1.5 to 2.0 percent for ownership housing are generally considered a balance between the demand and supply for housing. A higher vacancy rate may indicate an excess supply of units and therefore price depreciation, while a low vacancy rate may indicate a shortage of units and resulting escalation of housing prices.

While the overall vacancy rates in the City were 8.2 percent in 1990 and 6.6 percent in 2000, the true vacancy rates were substantially lower (**Table 2-13**). Due to its desirable location and the various amenities offered in the City, a portion of the housing stock in the City has always been used as second and vacation homes (about 2.7 percent). These units were not available for sale or for rent. Of those units available, the for-sale vacancy rate was 1.3 percent in 2000, virtually unchanged from 1990. However, the rental vacancy rate was 1.4 percent, representing a 1.5-percentage points decline from 1990. Therefore, for-sale and for-rent vacancy rates in Carlsbad were suboptimal, and indicated a demand for housing, especially rental housing.

**Table 2-13**  
**Housing Vacancy: 1990 and 2000**

Vacancy	1990 Census		2000 Census		Percentage Points Change
	#	%	#	%	
For Rent	793	2.9%	486	1.4%	-1.5%
For Sale	386	1.4%	469	1.3%	-0.1%
Seasonal/Recreational Use	734	2.7%	903	2.7%	0.0%
Other Vacant*	327	1.2%	373	1.1%	-0.1%
Overall Vacancy	2,240	8.2%	2,231	6.6%	-1.6%

Source: Census, 1990 and 2000.

Note:

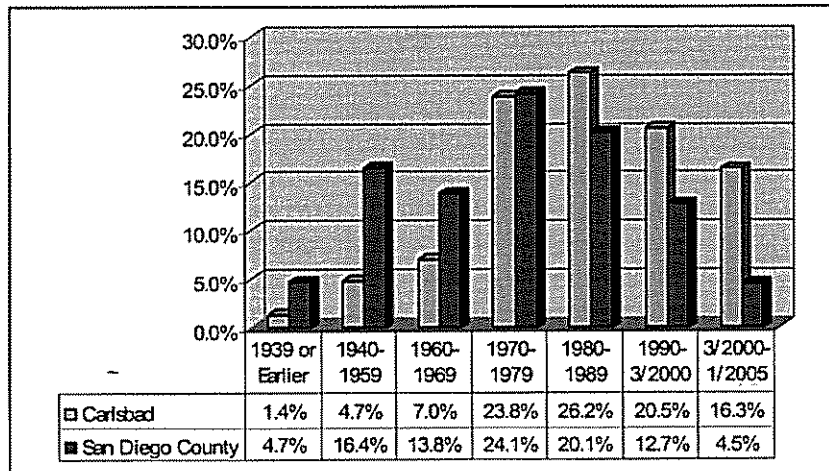
\* Includes units that are rented or sold but not occupied, and vacant for other reasons, such as abandoned homes.

### Housing Age and Condition

Housing age and condition affect the quality of life in Carlsbad. Like any other tangible asset, housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, thereby depressing neighboring property values, and eventually affecting the quality of life in a neighborhood.

Carlsbad's housing stock is much newer on average compared to the County's housing stock (**Figure 2-6**). Although the City incorporated more than 50 years ago, the majority of the housing in Carlsbad is relatively new, with only a small portion of the housing stock over 30 years old (approximately 15 to 20 percent). The majority (63 percent) of the City's housing stock was constructed after 1980, including 16.3 percent that was constructed after 2000. In comparison, nearly two-thirds of the County's housing stock was constructed prior to 1980.

**Figure 2-6  
Year Structure Built**



Source: Census, 2000; and Department of Finance, 2005.

Most homes require greater maintenance as they approach 30 years of age. Common repairs needed include a new roof, wall plaster, and stucco. Using the 30-year measure, approximately 6,000 to 8,000 units are in need of repair or rehabilitation. Housing units aged more than 30 years are primarily concentrated in Carlsbad's Village area, the majority are located within the Redevelopment Project Area.

Homes older than 50 years require more substantial repairs, such as new siding, or plumbing, in order to maintain the quality of the structure. Approximately 1,000 units are older than 50 years. The Census Bureau provides limited estimates of substandard housing in Carlsbad, including 66 units with incomplete plumbing, 300 units without heat, and 174 units without a complete kitchen. According to the City's Building Department, an estimated ten housing units in the City are in dilapidated conditions and in need of replacement.

**Housing Costs and Affordability**

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden (overpayment) and overcrowding. This section summarizes the cost and affordability of the housing stock to Carlsbad residents.

**Homeownership Market**

Prices for single-family homes and condominiums in Carlsbad from September 1, 2003 through August 31, 2004 were collected from the DataQuick real estate database.<sup>3</sup> According to DataQuick, 2,583 homes and condominiums were sold during the examined time period (**Table 2-14**). Among these homes and condominiums, the median sale price was \$565,000, with a range of \$100,000 (possibly a partial sale) to \$2,625,000.

**Table 2-14**  
**Home and Condominium Sales**  
**September 1, 2003 through August 31, 2004**

<b>Unit Type</b>	<b># Sold</b>	<b>Range</b>	<b>Median Sale Value</b>
<i>Home</i>	<i>1,544</i>	<i>\$120,000 to \$2,625,000</i>	<i>\$694,250</i>
1 Bedroom	5	\$310,000 to \$550,000	\$379,000
2 Bedroom	113	\$120,000 to \$1,750,000	\$500,000
3 Bedroom	473	\$161,860 to \$2,625,000	\$623,500
4 Bedroom	644	\$217,500 to \$2,550,000	\$711,250
5 Bedroom	309	\$130,000 to \$2,625,000	\$835,000
<i>Condominium</i>	<i>1,039</i>	<i>\$100,000 to \$1,190,000</i>	<i>\$395,000</i>
1 Bedroom	122	\$181,000 to \$504,000	\$285,000
2 Bedroom	563	\$136,000 to \$1,150,000	\$380,000
3 Bedroom	292	\$100,000 to \$1,190,000	\$426,500
4 Bedroom	62	\$325,000 to \$1,190,000	\$560,000
<i>Total</i>	<i>2,583</i>	<i>\$100,000 to \$2,625,000</i>	<i>\$565,000</i>

Source: DataQuick, August 2004.

Note: 342 records were excluded from this analysis. Either these records: did not provide the sale price [288]; did not include number of bedrooms information [31]; did not include sale price [2]; or were likely partial sales due to extraordinarily low sale prices (under \$65,000) [21].

Over 1,500 single-family homes were sold in Carlsbad during this time period. Based on information available, the median sale price of these homes was \$694,250, with a range \$120,000 (possibly a partial sale) to \$2,625,000. The

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<sup>3</sup> DataQuick is a company that assembles real estate data from the County Assessor's records.



median sale value for these homes increased with unit size, from \$379,000 for a one-bedroom unit to \$835,000 for a unit with five bedrooms.

Prices for condominiums were significantly lower than prices for single-family homes in Carlsbad. Among the 1,039 condominiums sold, the median sales price was \$395,000 with a range of \$100,000 (possibly a partial sale) to \$1,190,000. As with home sales, the median price of these condominiums increased with unit size. The median price of a one-bedroom condominium unit was \$285,000, while the median price of a unit with four bedrooms was \$565,000.

The California Association of Realtors publishes median home prices (including single-family homes and condominium units) for areas throughout California. Between the first quarter of 2003 and October 2006, the median home price in Carlsbad increased 32.4 percent to \$635,000 (**Table 2-15**). With the exception of Encinitas, the median price in Carlsbad was higher than the median sale prices of other North County cities. In recent months, however, home prices in the San Diego region have decreased. Specifically, the cities of Carlsbad and Poway experienced the largest percentage decreases between 2005 and 2006.

**Table 2-15**  
**Median Home Prices: 2003-2006**

	<b>First Quarter 2003</b>	<b>First Quarter 2004</b>	<b>October 2005</b>	<b>October 2006</b>	<b>Change 2003- 2006</b>	<b>Change 2005- 2006</b>
<b>Carlsbad</b>	<b>\$479,500</b>	<b>\$550,000</b>	<b>\$701,500</b>	<b>\$635,000</b>	<b>32.4%</b>	<b>-9.5%</b>
Encinitas	\$540,000	\$631,000	\$789,500	\$750,000	38.9%	-5.0%
Escondido	\$317,000	\$380,000	\$489,000	\$460,000	45.1%	-5.9%
Oceanside	\$306,500	\$385,000	\$487,750	\$484,000	57.9%	-0.8%
Poway	\$365,000	\$525,000	\$590,000	\$535,000	46.6%	-9.3%
San Marcos	\$399,000	\$420,000	\$556,500	\$550,000	37.8%	-1.2%
Solana Beach	n/a	n/a	n/a	n/a	n/a	n/a
Vista	\$321,000	\$385,000	\$507,500	\$487,500	51.9%	-3.9%
San Diego County	\$355,000	\$420,000	\$517,500	\$500,000	40.8%	-3.4%

Note: The California Association of Realtors changed the format of reporting in 2006; monthly instead of quarterly reports are now published.

Source: California Association of Realtors, 2007

### **Rental Market**

Internet resources were consulted to understand the rental housing market in Carlsbad (**Table 2-16**). Websites were searched in January 2006 and rental price information was collected for ten apartment complexes within the City. In January 2006, rents for studio apartments ranged from \$875 to \$1,095 per month, while one-bedroom units rented for \$1,025 to \$1,630. Larger units were slightly more expensive; two-bedroom units were offered at rents ranging from

\$1,170 to \$1,970, while three-bedroom units ranged from \$1,750 to \$2,415 per month. It should be noted that these rental rates were derived from units in large apartment complexes that are often managed by management companies. As such, these units generally command higher rents than units in older and smaller complexes.

**Table 2-16**  
**Apartment Rental Rates:**  
**January 2006**

<b>Apartment Complex</b>	<b>Rental Price Range</b>
Studio	\$875 - \$1,095
1-bedroom	\$1,025 - \$1,630
2-bedroom	\$1,170 - \$1,970
3-bedroom	\$1,750 - \$2,415

Source: Apartments.com, Realtor.com, and rentnet.com, January 2006.

According to a survey conducted by RealFacts, a firm that specializes in rental market analysis, apartment rents in the North County area were increasing modestly and occupancy rates were hovering around 95 percent.<sup>4</sup> Both factors have kept the market stable. According to the survey, rent increases in the North County area ranged from two to five percent between September 2004 and September 2005. Oceanside had the highest increase at five percent and Poway had the lowest increase at two percent.

### **Housing Affordability by Household Income**

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents of San Diego County are shown in **Table 2-17**.

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<sup>4</sup> Bradley J. Fikes, North County Times, October 19, 2005.

**Table 2-17**  
**Housing Affordability Matrix: San Diego County - 2005**

Income Group	Income Levels		Housing Costs		Maximum Affordable Price	
	Annual Income	Affordable Payment	Utilities	Taxes & Ins.	Home	Rental
<b>Very Low</b>						
One Person	\$24,150	\$604	\$50	\$200	\$65,558	\$554
Small Family	\$31,050	\$776	\$100	\$250	\$78,994	\$676
Large Family	\$37,250	\$931	\$150	\$300	\$89,187	\$781
<b>Low</b>						
One Person	\$38,650	\$966	\$50	\$200	\$132,738	\$916
Small Family	\$49,700	\$1,243	\$100	\$250	\$165,402	\$1,143
Large Family	\$59,600	\$1,490	\$150	\$300	\$192,737	\$1,340
<b>Moderate</b>						
One Person	\$53,250	\$1,331	\$50	\$200	\$200,382	\$1,281
Small Family	\$68,500	\$1,713	\$100	\$250	\$252,504	\$1,613
Large Family	\$82,200	\$2,055	\$150	\$300	\$297,445	\$1,905

Source: California Department of Housing and Community Development; P&D Consultants Inc., 2005.

Notes:

1. 2005 Area Median Income (AMI) = \$63,400
2. Small Family = 3 persons; Large Families = 5 or more persons
3. Utility costs for renters assumed at \$50/\$100/\$150 per month
4. Monthly affordable rent based on payments of no more than 30% of household income
5. Property taxes and insurance based on averages for the region
6. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6%, 30-year mortgage, and monthly payment of 30% gross household income

The market-affordability of the City's housing stock for each income group is discussed below:

### **Very Low Income Households**

Very low income households are classified as those earning 50 percent or less of the AMI. Based on the rental data presented in **Table 2-16** and maximum affordable rental payment in **Table 2-17**, very low income households of all sizes would be unlikely to secure adequately sized and affordable rental housing in Carlsbad. Similarly, real estate data also indicated that very low income households in Carlsbad could not afford the price of any adequately sized home in the City (**Table 2-14**).

### **Low Income Households**

Low income households earn 51 to 80 percent of the AMI. Based on the sales data provided by DataQuick, low income households would have a similar problem as very low income households in purchasing adequately sized and affordable housing, either single-family homes or condominiums (**Table 2-14**).

Low income households have a better chance of securing rental housing in Carlsbad than very low income households. However, advertised rental rates for three-bedroom apartments were outside the affordable price range for low income households, indicating that securing adequately sized and affordable rental housing may be very difficult for larger low income households in Carlsbad (**Table 2-16**).

### ***Moderate Income Households***

Moderate income households are classified as those earning between 81 and 120 percent of the AMI. Based on income-affordability, moderate income households could afford most rental units in the City, except for some larger three-bedroom units. In addition, some smaller condominiums are within the affordable price range of moderate income households.

## **E. Housing Problems**

### **Overcrowding**

Overcrowding is typically defined as more than one person per room.<sup>5</sup> Severe overcrowding occurs when there is more than 1.5 persons per room. Overcrowding can result when there are not enough adequately sized units within a community, or when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate. Overcrowding also tends to accelerate deterioration of housing and overextend the capacity of infrastructure and facilities designed for the neighborhood.

In 2000, 3.9 percent of Carlsbad households lived in overcrowded conditions (**Table 2-18**). Overcrowding disproportionately affected renters (9.6 percent of renters versus 1.2 percent of owners), indicating overcrowding may be the result of an inadequate supply of larger-sized and affordable rental units. Specifically, more than half of the overcrowded renter-households were considered as severely overcrowded.

While 57.3 percent of occupied housing units in the City had more than three bedrooms (the minimum size considered large enough to avoid most overcrowding issues among large households), only a small portion of these units (21.2 percent) were occupied by renters.

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<sup>5</sup> Based on the Census Bureau's definition of "room," which excludes bathrooms, porches, balconies, foyers, halls, or half-rooms. See 2000 Census Long Form, question #37.

**Table 2-18  
Overcrowding Conditions: 2000**

	Owner-Occupied	Renter-Occupied	Total
Occupied Units	21,201	10,285	31,486
Overcrowded Units (> 1 person/room)	254	986	1,240
% Overcrowded	1.2%	9.6%	3.9%
Severely Overcrowded Units (> 1.5 persons/room)	89	578	667
% Severely Overcrowded	0.4%	5.6%	2.1%

Source: U.S. Census, 2000.

### Overpayment

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross income on housing. Severe housing cost burden occurs when a household pays more than 50 percent of its income on housing. The prevalence of overpayment varies significantly by income, tenure, household type, and household size. The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households. Detailed CHAS data based on the 2000 Census is displayed in **Table 2-19**.

In 2000, 33 percent of the households overpaid for housing, including 14 percent that had a severe housing cost burden. In general, overpayment issues affected a larger proportion of renter-households (45 percent) than owner-households (31 percent). Lower income family-households that rented were disproportionately impacted by housing overpayment. Approximately 96 percent of the large family-renters and 80 percent of the small family-renters in the extremely low income category experienced housing overpayment in 2000. A large proportion of lower income elderly renters also overpaid for housing.

**Table 2-19  
Housing Assistance Needs of Lower Income Households**

Household by Type, Income & Housing Problem	Renters				Owners		Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Total Owners	
<b>Extremely Low Income (0-30% AMI)</b>	<b>238</b>	<b>274</b>	<b>89</b>	<b>1,061</b>	<b>384</b>	<b>810</b>	<b>1,871</b>
% with any housing problem	83%	91%	96%	81%	76%	77%	79%
% with cost burden >30%	71%	80%	96%	74%	77%	77%	75%
% with cost burden > 50%	64%	76%	73%	67%	66%	70%	68%
<b>Very Low Income (31-50% AMI)</b>	<b>273</b>	<b>413</b>	<b>107</b>	<b>1,223</b>	<b>474</b>	<b>893</b>	<b>2,116</b>
% with any housing problem	87%	89%	96%	90%	55%	72%	82%
% with cost burden >30%	84%	86%	64%	85%	55%	72%	80%
% with cost burden > 50%	64%	52%	32%	58%	34%	57%	58%
<b>Low Income (51-80% AMI)</b>	<b>329</b>	<b>585</b>	<b>214</b>	<b>1,808</b>	<b>1,150</b>	<b>2,080</b>	<b>3,888</b>
% with any housing problem	71%	71%	98%	76%	40%	59%	67%
% with cost burden >30%	71%	60%	30%	63%	40%	59%	61%
% with cost burden > 50%	18%	17%	9%	17%	22%	34%	26%
<b>Total Households</b>	<b>1,334</b>	<b>4,082</b>	<b>805</b>	<b>10,285</b>	<b>5,995</b>	<b>21,196</b>	<b>31,481</b>
% with any housing problem	65%	38%	76%	45%	29%	31%	36%
% with cost burden >30%	60%	32%	34%	38%	32%	30%	33%
% with cost burden > 50%	31%	13%	15%	31%	13%	12%	14%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), January 2006.

Note: Data based on sample Census data (Summary File 3) and therefore total household figures may differ from the 100% count (Summary File 1).

## **F. Multi-Family Affordable Housing**

Developing new affordable housing has become increasingly costly, due to the escalating land values, labor and construction costs, as well as market pressure. Therefore, an important strategy for the City of Carlsbad is to ensure the long-term affordability of existing affordable housing. This section assesses the potential conversion of publicly assisted, affordable rental housing into market-rate housing between July 1, 2005 and June 30, 2010. Projects can be "at-risk" of conversion due to expiration of affordability restrictions or termination of subsidies.

### **Inventory of Affordable Housing**

Through December 31, 2006, Carlsbad had produced 14 multi-family projects that offer a total of 1,399 units affordable to lower income households via various federal, State, or local programs (**Table 2-20**). The City's Inclusionary Housing Ordinance is responsible for producing 1,218 of Carlsbad's affordable housing units in eleven developments. In addition, the City-owned Tyler Court offers 75 affordable units to extremely low and very low income households.

In 1985, the City Council issued Multifamily Housing Revenue Bonds to provide funding for Seascapes Village and Santa Fe Ranch apartments. The proceeds of the bonds were used to make loans to the project developers for the purpose of constructing the projects. As a result, 20 percent of the units constructed (106 units in total) were restricted to rents affordable to lower income households (up to 80 percent AMI).

**Table 2-20  
Inventory of Assisted Rental Housing**

<b>Project Name</b>	<b>Total Units</b>	<b>Assisted Units</b>	<b>Restricting Program</b>	<b>Earliest Date of Conversion</b>	<b># Units At Risk</b>
Laurel Tree 1307 Laurel Tree Lane	138	138	Inclusionary Housing	Year 2055	0
La Paloma 1953 Dove Lane	180	180	Inclusionary Housing	Year 2060	0
Marbella 2504 Marron Road	143	29	Inclusionary Housing	Year 2061	0
Mariposa/Calavera Hills 4651 Red Bluff Place	106	106	Inclusionary Housing	Year 2059	0
Pacific View/Kelly Ranch 5162 Whitman Way	451	111	Inclusionary Housing	Year 2059	0
Poinsettia Station 6811 Embarcadero Lane	92	92	Inclusionary Housing	Year 2055	0
Rancho Carrillo 6053 Paseo Acompo	116	116	Inclusionary Housing	Year 2055	0
Sunny Creek 5420 Sunny Creek Road	50	50	Inclusionary Housing	Year 2057	0
Villa Loma 6421 Tobria Terrace	344	344	Inclusionary Housing	Year 2051	0
Vista Las Flores 6408 Halyard Place	28	28	Inclusionary Housing	Year 2056	0
Tyler Court 3363 Tyler Street	75	75	City Owned	If sold, City would require 55-yr restriction on all 75 units	0
The Tradition 1901 Cassia Way	157	24	Inclusionary Housing	Year 2060	0
Seascapes Village 6938 Seascapes Drive	208	42	Multifamily Revenue Bonds	1/1/09	42
Santa Fe Ranch 3393 Calle Cancuna	320	64	Multifamily Revenue Bonds	7/1/07	64
<b>Total</b>		<b>1,399</b>			<b>106</b>

Source: City of Carlsbad, 2007.

Note: Units restricted through the City's Inclusionary Housing program require 55-year rent restrictions.

**Table 2-21  
Rent Subsidies Required**

<b>Project Units</b>	<b>Seascape Village</b>	<b>Santa Fe Ranch</b>
1-bedroom	18	12
2-bedroom	24	52
Total	42	64
Total Monthly Rent Income Supported by Affordable Housing Cost of Very Low Income Households	\$28,716	\$47,260
Total Monthly Rent Allowed by Fair Market Rents	\$45,942	\$73,216
Total Annual Subsidies Required	\$206,712	\$311,472

1. A 1-bedroom unit is assumed to be occupied by a 1-person household and a 2-bedroom unit by a 3-person household.
2. Based on 2005 AMI in San Diego County, affordable monthly housing cost for a 1-person very low income household is \$554 and \$781 for a 3-person household (Table 2-17).
3. 2005 Fair Market Rents in San Diego County are \$975 for a 1-bedroom and \$1,183 for a 2-bedroom (<http://www.huduser.org/datasets/FMR/FMR2005F/index.html>).

## Replacement Options

### *Purchase of Similar Units*

Only 20 percent of the units in Seascape Village and Santa Fe Ranch are at risk. An option for replacing these 106 units is to purchase similar units in the City and maintain those units as long-term affordable housing. Using general industry standards, the market value of the at-risk units can be estimated (Table 2-22).

**Table 2-22  
Market Value of At-Risk Housing Units**

<b>Project Units</b>	<b>Seascape Village</b>	<b>Santa Fe Ranch</b>
1-Bedroom	18	12
2-Bedroom	24	52
Total	42	64
Annual Operating Cost	\$166,500	\$273,000
Gross Annual Income	\$718,200	\$1,126,800
Net Annual Income	\$524,115	\$811,110
Market Value	\$6,551,438	\$10,138,875

Market value for each project is estimated with the following assumptions:

1. Average market rent for 1-BR is \$1,325, and 2-BR is \$1,500 (Table 2-16).
2. Average bedroom size for 1-BR assumed at 650 square feet and 900 square feet for 2-BR.
3. Vacancy rate = 5%
4. Annual operating expenses per square foot = \$5.0
5. Market value = Annual net project income \* multiplication factor
6. Multiplication factor for a building in good/excellent condition (applies to Seascape and Santa Fe) is 12.5.



### ***Construction of Replacement Units***

The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Assuming an average development cost of \$200,000 per unit for multi-family rental housing, replacement of the 106 at-risk units would require approximately \$21,200,000. This cost estimate includes land, construction, permits, on- and off-site improvements, and other costs.